

FRINGE BENEFITS

FINANCIAL SUMMARY

	FY 2006 EXPENDITURE	FY 2007 APPROPRIATION	FY 2008 REQUEST	GOVERNOR RECOMMENDS FY 2008
OASDHI Taxes	\$ 140,905,219	\$ 157,384,530	\$ 157,314,948	\$ 160,788,162
Missouri State Employees' Retirement System	221,829,111	255,789,595	255,664,030	263,110,587
Teacher Retirement Contributions	2,469,499	3,540,560	3,540,560	3,540,560
Deferred Compensation	11,266,066	11,568,885	11,559,978	11,974,971
Unemployment Benefits	4,698,842	4,039,608	4,038,458	4,038,458
Missouri Consolidated Health Care Plan	317,822,893	360,579,587	361,283,212	376,907,771
Workers' Compensation	23,160,713	22,213,523	21,641,575	21,638,780
Other Employer Disbursements	11,762,880	862,002	862,002	862,002
TOTAL	\$ 733,915,223	\$ 815,978,290	\$ 815,904,763	\$ 842,861,291
General Revenue Fund	476,514,858	510,411,801	505,356,438	526,349,089
Federal Funds	134,752,988	160,837,877	161,010,551	164,654,970
Other Funds	122,647,377	144,728,612	149,537,774	151,857,232

FRINGE BENEFITS

CONTRIBUTION TO OASDHI TAXES

The State of Missouri pays the employer's share of federal Old Age and Survivors Disability and Health Insurance contributions on the salaries of all state employees, with the exception of employees of the state universities and four-year colleges. These funds are transferred to a contribution fund for matching payments to the Social Security Administration.

Fiscal Year 2008 Governor's Recommendations

- \$4,622,000 for increased costs to the state for social security benefits due to pay plan, including \$2,369,000 general revenue.
- \$1,766,000 for new staff statewide, including \$875,000 general revenue.
- \$652,513 for increased costs from the Fiscal Year 2007 appropriation level.
- \$736,520 State Facility Maintenance and Operations Fund for benefits associated with the statewide consolidation of facility related services.
- \$67,000 for increased costs associated with repositioning in the Department of Health and Senior Services and Department of Social Services, including \$29,000 general revenue.
- \$52,640 Office of Administration Revolving Administrative Trust Fund for benefits associated with the mailroom consolidation.
- (\$3,634,298) federal and other funds core reduction from the Fiscal Year 2007 appropriation level.
- (\$736,520) transferred to various departments to pay for fringe costs associated with the statewide consolidation of facility related services, including (\$693,789) general revenue.
- (\$69,583) transferred to the Department of Mental Health for contractual services.
- (\$52,640) transferred to various departments to pay for fringe costs associated with the mailroom consolidation, including (\$17, 671) general revenue.

CONTRIBUTION TO MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

The State of Missouri provides an employer funded retirement program for employees through a contribution of a specified percentage of members' wages to the Missouri State Employees' Retirement System. Included in the state's contribution is a payment per month, per eligible employee to the Missouri State Employees' Benefit Plan and a payment of long-term disability premiums.

Fiscal Year 2008 Governor's Recommendations

- \$6,943,000 for increased costs to the state for retirement benefits due to pay plan, including \$4,433,000 general revenue.
- \$2,199,000 for increased costs from the Fiscal Year 2007 appropriation level, including \$667,000 general revenue.
- \$1,988,000 for new staff statewide, including \$1,398,000 general revenue.
- \$1,328,626 State Facility Maintenance and Operations Fund for benefits associated with the statewide consolidation of facility related services.
- \$94,962 Office of Administration Revolving Administrative Trust Fund for benefits associated with the mailroom consolidation.
- \$87,000 for increased costs associated with repositioning in the Department of Health and Senior Services and Department of Social Services, including \$54,000 general revenue.
- (\$3,770,443) core reduction from the Fiscal Year 2007 appropriation level, including (\$675,611) general revenue.
- (\$1,328,626) transferred to various departments to pay for fringe costs associated with the statewide consolidation of facility related services, including (\$1,251,542) general revenue.
- (\$125,565) transferred to the Department of Mental Health for contractual services.
- (\$94,962) transferred to various departments for fringe costs associated with the mailroom consolidation, including (\$31,877) general revenue.

TEACHER RETIREMENT CONTRIBUTIONS

Section 104.342, RSMo, provides that the Commissioner of Administration shall requisition monthly and certify the payment of contributions to the Public School Retirement System (PSRS). Authority to transfer and expend these monies is required to comply with statutory provisions. Certified teachers involved are employed by the Department of Elementary and Secondary Education, Department of Mental Health, Department of Social Services, Department of Corrections, and remain members of the PSRS.

Fiscal Year 2008 Governor's Recommendations

Continue funding at the current level.

FRINGE BENEFITS

DEFERRED COMPENSATION PROGRAM

The Missouri State Public Employees Deferred Compensation Commission was created by Sections 105.900 to 105.927, RSMo, to encourage employees to supplement the Missouri State Employees' Retirement Plan and their Social Security. Participation in the Deferred Compensation Plan doubled after the \$25 per month match was legislated in 1996.

Fiscal Year 2008 Governor's Recommendations

- \$685,537 for increased costs from the Fiscal Year 2007 appropriation level.
- \$94,354 State Facility Maintenance and Operations Fund for benefits associated with the statewide consolidation of facility related services.
- \$52,100 for new staff statewide, including \$39,400 general revenue.
- \$6,744 Office of Administration Revolving Administrative Trust Fund for benefits associated with the mailroom consolidation.
- (\$322,644) federal and other funds core reduction from the Fiscal Year 2007 appropriation level.
- (\$94,354) transferred to various departments to pay for fringe costs associated with the statewide consolidation of facility related services, including (\$88,881) general revenue.
- (\$8,907) transferred to the Department of Mental Health for contractual services.
- (\$6,744) transferred to various departments for fringe costs associated with the mailroom consolidation, including (\$2,264) general revenue.

DISBURSEMENT FOR UNEMPLOYMENT BENEFITS

The State of Missouri, as a governmental entity, is required to pay contributions to the Division of Employment Security as specified by law so that unemployment claims may be paid to former employees. A governmental entity may elect to either pay contributions in advance based on a statutory formula or to reimburse the Division of Employment Security for actual claims paid out to former employees. The State of Missouri utilizes the reimbursement for actual claims paid option. By using this deferred method of payment and one central appropriation, the state simplifies the administration of unemployment benefits.

Fiscal Year 2008 Governor's Recommendations

- \$24,068 State Facility Maintenance and Operations Fund for benefits associated with the statewide consolidation of facility related services.
- \$1,721 Office of Administration Revolving Administrative Trust Fund for benefits associated with the mailroom consolidation.
- (\$24,068) transferred to various departments to pay for fringe costs associated with the statewide consolidation of facility related services, including (\$22,648) general revenue.
- (\$1,721) transferred to various departments for fringe costs associated with the mailroom consolidation, including (\$577) general revenue.
- (\$1,150) transferred to the Department of Mental Health for contractual services.

MISSOURI CONSOLIDATED HEALTH CARE PLAN

The Missouri Consolidated Health Care Plan administers health care benefits for state employees. In 1995, municipalities and other public entities were allowed to join the Missouri Consolidated Health Care Plan as well, building a larger pool of members and greater bargaining power for lower cost medical services.

Fiscal Year 2008 Governor's Recommendations

- \$15,022,657 for other post employment benefits, including \$10,000,000 general revenue.
- \$2,767,004 State Facility Maintenance and Operations Fund for benefits associated with the statewide consolidation of facility related services.
- \$1,567,000 for new staff statewide, including \$1,234,000 general revenue.
- \$197,770 Office of Administration Revolving Administrative Trust Fund for benefits associated with the mailroom consolidation.
- (\$2,767,004) transferred to various departments to pay for fringe costs associated with the statewide consolidation of facility related services, including (\$2,606,493) general revenue.
- (\$261,473) transferred to the Department of Mental Health for contractual services.
- (\$197,770) transferred to various departments for fringe costs associated with the mailroom consolidation, including (\$66,388) general revenue.

FRINGE BENEFITS

WORKERS' COMPENSATION

The State of Missouri is responsible for payment of Workers' Compensation benefits to injured state employees in accordance with Chapter 287, RSMo. The payment of Workers' Compensation benefits for all state employees, excluding the Department of Transportation, the Missouri State Highway Patrol, and the University of Missouri system, is covered under this program and is administered by the Office of Administration's Division of General Services. Payments made by general revenue on behalf of employees paid from other funding sources are transferred from these funds back to general revenue. As a Workers' Compensation self-insurer, the state pays its Workers' Compensation tax and Second Injury Fund assessments based on billings received from the Department of Insurance, Financial Institutions and Professional Registration and the Division of Workers' Compensation.

Fiscal Year 2008 Governor's Recommendations

- (\$450,000) core reduction from the Fiscal Year 2007 appropriation level.
- (\$109,737) transferred to various departments to pay for fringe costs associated with the statewide consolidation of facility related services.
- (\$12,211) transferred to the Department of Mental Health for contractual services.
- (\$2,795) transferred to various departments to pay for fringe costs associated with the mailroom consolidation.

OTHER EMPLOYER DISBURSEMENTS

VOLUNTARY LIFE INSURANCE

State employees may opt to withhold funds for voluntary life insurance. This appropriation provides expenditure authority to distribute the monies withheld to the various life insurance companies as designated by the employees.

Fiscal Year 2008 Governor's Recommendations

Continue funding at the current level.

CAFETERIA PLAN TRANSFER

The state offers a tax reduction plan for state employees. The federal government requires the state to provide a sufficient balance in the medical expenses category for timely reimbursements to plan participants.

Fiscal Year 2008 Governor's Recommendations

Continue funding at the current level.

HUMAN RESOURCES CONTINGENCY FUND TRANSFER

This transfer section has been added to ensure that payroll checks submitted for payment against accounts with temporary allotment or fund cash flow problems can be generated within the time constraints of pay period processing.

Fiscal Year 2008 Governor's Recommendations

Continue funding at the current level.